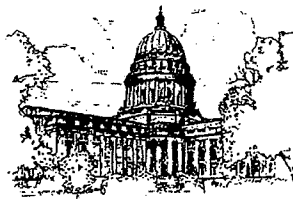


**TIM CULLEN**  
**STATE SENATOR**  
**15th District**

**Capitol Address:**  
State Capitol, South Wing  
P.O. Box 7882  
Madison, WI 53707-7882  
(608) 266-2253

**Toll Free:**  
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**E-Mail Address:**  
[Sen.Cullen@legis.wi.gov](mailto:Sen.Cullen@legis.wi.gov)

**Web Address:**  
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**District:**  
(608) 754-0947

**Written Testimony of Sen. Tim Cullen**  
**On Assembly Bill 13**  
**March 22, 2011**

Madame Chair and Members of the Committee: I am sorry I could not attend this public hearing in person today. I was asked to deliver a eulogy at the funeral of a dear friend.

Madame Chair, I thank you for scheduling a public hearing on this bill. I am the Senate co-sponsor. I appreciate Rep. Loudenbeck being the principle author.

The Beloit Development Opportunity Zone is an excellent example of how government can help the private sector attract new industries and jobs.

In the late 1990s, when Beloit was struggling with the loss of thousands of manufacturing jobs, city leaders developed a plan for a new industrial/residential development on the city's far east side. They called it The Gateway development.

The city sought and obtained Development Opportunity Zone status for The Gateway.

Since 2001, 626 jobs have been created in the Development Opportunity Zone (DOZ).

The Gateway is home to Staples order fulfillment center, Kettle Foods, Kerry Foods, Southeastern Container, Menlo Industries, the Morse Group, and others.

The DOZ leveraged \$123 million in private investment before DOZ designation expired in September 2010.

Despite this success, Beloit has a ways to go to pull itself out of the economic slump. Until January, Beloit had the highest unemployment rate of any Wisconsin city. Beloit is now second to Racine.

Assembly Bill 13 will allow Beloit to continue the success of the Gateway DOZ.

AB 13 allows the Beloit City Council to designate other areas of the city, beyond The Gateway, as part of the Development Opportunity Zone.

The bill provides \$5 million in tax credits for businesses that locate there over five years.

Assembly Bill 13 will allow the city to continue its successful efforts in pulling itself out of the economic downturn that started more than a decade ago ... and to create family-supporting jobs for its citizens.

I respectfully ask for your support of this bill.

**-END-**

**-OVER-**

# Greater Beloit

Chamber of Commerce

March 17, 2011

Rep. Amy Loudenberg  
Room 209 North  
Wisconsin State Capitol  
Madison, WI 53708

Dear Rep. Loudenberg,

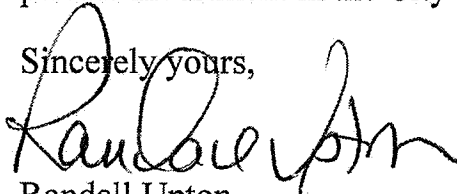
This letter is in regard to 2011 Assembly Bill 13 which you introduced on February 2 of this year and which was referred to the Assembly's Committee on Jobs, Economy and Small Business.

I am pleased to advise that AB 13 was considered by our Committee on Government Relations and that a recommendation by it that the legislation be endorsed was presented to our Board of Directors. The Board considered the recommendation at its meeting on March 10, and in meeting assembled, unanimously endorsed the legislation.

In endorsing the legislation, it was noted that the fiscal estimate that was prepared on February 14 shows no State fiscal effect. Support of the legislation was further based on the knowledge that the cost to the City of Beloit in providing a legal description of the zone is an anticipated minimal cost that can be absorbed by it, and further that the Department of Commerce will be able to administer the Development Opportunity Zone that will be created in the City of Beloit within its budgetary authority.

The Greater Beloit Chamber of Commerce congratulates you for your efforts to facilitate the creation of the Development Opportunity for the City of Beloit with the anticipated benefits that will flow to the Greater Beloit area from increased private investment in the City and the creation of additional jobs.

Sincerely yours,



Randall Upton  
President



City of  
**BELOIT**, Wisconsin

CITY MANAGER • CITY HALL • 100 STATE STREET • BELOIT, WI 53511

Office: 608/364-6614 • Fax: 608/364-6756

[www.ci.beloit.wi.us](http://www.ci.beloit.wi.us)

*Equal Opportunity Employer*

**PUBLIC HEARING  
ASSEMBLY BILL 13**

TUESDAY, MARCH 22, 2011

10:00 AM

328 NORTHWEST

STATE CAPITOL

**COMMITTEE ON JOBS, ECONOMY AND SMALL BUSINESS**

**TESTIMONY BY CITY MANAGER LARRY N. ARFT**

Let me begin by saying how much we appreciate Representative Loudenberg's efforts to introduce this bill. We also find the provisions in the Bill meet City needs and expectations.

The initial Beloit Development Opportunity Zone (DOZ) was designated for the Gateway Business Park in 2001.

This designation was a means to assist the City in replacing the job losses incurred by the closing of the Beloit Corporation.

The Beloit DOZ has been an incredibly effective economic development tool as it has leveraged \$123,820,000 in private investment and has created 626 new jobs.

The DOZ has allowed us to attract such companies as:

- Staples Order Fulfillment Center
- Kettle Foods
- Specialty Tools
- Amp Electric
- Southeastern Container
- Menlo Industries

Unfortunately, the Beloit DOZ expired last September.

Assembly Bill 13 creates a DOZ effective for 60 months beginning September 1, 2010 in the amount of \$5,000,000. Commerce would be given the authority to extend that time period and add additional credits for another 60 months.

Also as written, the Bill allows the Beloit City Council to designate the area included in the DOZ. This will allow us to promote development throughout the entire City of

Beloit, enhancing our ability to do additional economic development projects. Previous DOZ credits were restricted to development in the Gateway Business Park only.

Despite our recent success, Beloit as a community still struggles with significant challenges including persistently high unemployment. The City's unemployment rate is currently second highest in the state at 13.8%. Unemployment peaked at 18.6% in June of 2009.

As we move out of the recession, this critical economic development tool would be an extremely valuable component of our program to help existing companies expand and to attract new businesses to Beloit.

We are respectfully requesting that the proposed Assembly Bill 13 reestablishing a DOZ be approved.

Thank you for your consideration and kind attention.

# ROCK COUNTY 5.0

ONE VISION | ONE VOICE

March 22, 2011

Representative Amy Loudenbeck  
Room 209 North  
State Capitol  
P.O. Box 8952  
Madison, WI 53708

Re: Assembly Bill 13 - 2011

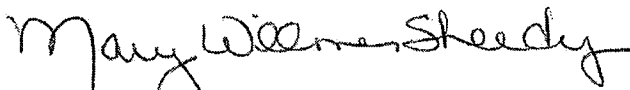
Dear Amy,

I am writing as the co-chair of Rock County 5.0 and as a community leader for Rock County in support of Assembly Bill 13 which will create and extend a Development Opportunity Zone (DOZ) in the City of Beloit. Our region has been particularly hard hit by the recession and the loss of the major employer, General Motors. The opportunity that exists with a DOZ is the ability for companies to locate or expand in Beloit, create meaningful jobs and enjoy a credit against state income and franchise taxes.

The DOZ for Beloit is a tool that we have used previously and provides incentive to businesses to do business in Rock County, and specifically in Beloit. With unemployment rates in the double digits, the loss of key employers, and a challenging competitive landscape, our economic development team of Rock County 5.0 needs this tool to be able to attract and retain meaningful employers. Many of the states and regions we compete with have these types of tools and it is required today to offer competitive packages.

I appreciate your consideration and passage of this Bill.

Sincerely,



Mary A. Willmer-Sheedy  
Co-Chair Rock County 5.0



14 South Jackson  
Janesville, Wisconsin 53548  
(608) 757-3160  
FAX (608) 757-3170

March 21, 2011

The Honorable Mary Williams  
Chair, Assembly Committee on Jobs, Economy & Small Business  
State Capitol Building  
Madison, WI 53708

Dear Chairwoman Williams and Committee Members:

I am writing in support of Representative Loudenberg's Assembly Bill 13, a bill to create a development opportunity zone (DOZ) for the city of Beloit.

As you know, DOZs are special geographic areas that offer tax credits to businesses that create jobs and invest in "economically distressed areas". Companies that expand, locate or start-up within a DOZ are eligible to claim Wisconsin income tax credits for job creation and capital investment. Tax credits tied to capital investment are what make the DOZ program so useful, as today's competitive global economy relies heavily upon technology-enhanced productivity.

In the wake of the closure of Janesville's General Motors Assembly Plant, area business and civic leaders set about creating a list of common sense legislative priorities to help jump start the area's economy. Creation of a development opportunity zone for the City of Janesville was our top priority. We chose to advocate for a Janesville DOZ in part because we saw how successful the City of Beloit's DOZ was in creating jobs and investment, particularly within the Gateway Business Park. This DOZ was in force from 2001-2009.

Janesville's opportunity zone has been in place for about a year. According to the *Janesville Gazette*, the program has awarded almost \$1 million in tax credits to three companies—SSI Technologies, Grainger and Hufcor—who have pledged to create or retain at least 210 full-time jobs. These credits are worth about \$8,000 per job.

The development opportunity zone program has been a success story for Rock County's economic development efforts. In these challenging economic times, it is imperative to have as many arrows as you can within your economic development quiver. The flexibility and versatility of DOZ tax credits make them a great tool for moving Wisconsin's economy forward.

Therefore, I urge your support of Assembly Bill 13. Thank you for your consideration.

Sincerely,

Daniel A. Cunningham  
Vice President